

BUSINESS

Making recent market history a thing of the past

Special to Sentinel-Voice

After going through the two most dramatic days in the stock market's history, you may be wondering why you're investing in the first place.

But after some thought, you realize your financial goals are several years away, not several days. And your investment strategy should reflect that long-term approach.

Recent shocking stock market moves remind us that stock prices can change greatly from day to day. And while past performance cannot guarantee future results, the longer-term approach has shown its merit.

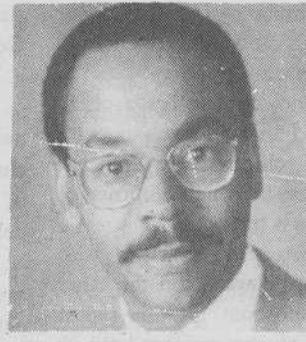
In fact, a recent *USA Today* article reported the Dow Jones Industrial average is still up more than 16 percent for the year in spite of a record 554-point drop on Oct. 27. Bloomberg notes the Dow has climbed more than 5,100 points — or 25 percent — since January 1987.

The recent market volatility also serves as a reminder to get back to the "basics" of how to invest in a fluctuating market. Here are three timeless strategies that can be used together to help develop a solid long-term investment game plan:

Strategy 1: Dollar cost averaging. Think of this strategy as an automated process. Just like paying a monthly bill, you set aside a predetermined amount of money each month to buy growth-oriented investments such as stocks or mutual funds.

Financial Report

By Fred T. Snyder



The beauty of this strategy is that it ignores current market conditions. When stock prices go up, your money buys fewer shares, but when prices go down, it buys more. Over a long time period, your average per-share cost is lower than the average prices of the stock during the period you make the investment.

Of course, dollar cost averaging does not guarantee profits, nor does it protect against loss in declining markets. So make sure you have the emotional and financial abilities to maintain this program.

Strategy 2: Defensive stocks. While this may sound more like a sports term or an attitude problem than an investment

strategy, "defensive" stocks are those whose earnings typically can continue to grow no matter what the current economic or market conditions bring, mainly because their products or services are always in demand. While implementing a dollar cost averaging program, you can purchase defensive stocks on an ongoing basis to try and benefit from their growth potential.

Many market experts currently prefer pharmaceutical manufacturers, food companies and insurance providers among their favored defensive stocks.

Strategy 3: Diversification. Now that you know the process and the "types" of stocks to look for, you'll want to "spread the wealth" among several individual stocks to help lower your portfolio's overall risk level.

You can use a variety of criteria to determine which stocks can give you a diversified portfolio. Among the criteria: A company's industry, its size, its market share, its "origins of revenue" (i.e. different parts of the country or different countries), its geographical location and its performance history are just a few of the ways you can prevent putting all your stock eggs in one financial basket.

So, whether you've been investing several years or just a few months, it's never out of style to create an investment plan that helps you look past the daily market grind and keeps you focused on the big picture.

Will Goliath play fair with Black companies?

By John William Templeton
Special to Sentinel-Voice

Most companies that do business with the Federal government make a point of saying that they attempt to trade with what the feds call "small disadvantaged businesses."

In most cases, this relationship means as little as a line at the bottom of some public relations literature and maybe a few tickets to a couple of company dinners.

Institutional racism prevents true partnerships between corporation and minority firms. And because of a lack of financing and market access, most Black companies never get to the point of effectively competing.

Every once in a while a company comes along that really tests whether the free market is a fair one.

A \$50 million lawsuit in a California Superior Court against printer maker Hewlett-Packard Co. (HP) tackles that question.

The plaintiff, Colossal Graphics Inc., shares a Palo Alto address with Hewlett-Packard, the granddaddy of Silicon Valley entrepreneurship. Colossal also thought it would share in the explosive growth of the large-format color printing business. It was not an unreasonable expectation.

Ron Jones, Colossal's founder and chief executive officer and former HP engineer, actually created the first raster image processor (RIP) that allowed personal computers to drive four-foot wide plotters used by the military to print out satellite photos.

Gen. Colin Powell and O.J. Simpson helped drive the popularity of the full color posters and flip charts on demand. Powell used the computer print-outs in his daily briefings during the Persian Gulf War. Both sides in the televised Simpson criminal trial used the large-format prints to present evidence.

When Jones sought to control his discovery

10 years ago, larger companies first denied the viability of the product; then blocked his access to valuable reseller contracts for additional products such as page description languages and printers. Then, they jumped into the large-format printer and RIP market once it became popular.

Colossal follows a long line of black firms with significant technological discoveries that have been stalled by corporate roadblocks. A brief black history lesson recalls the role of African Americans in creating thousands of inventions at the turn of the century — the traffic light, the filament for the light bulb, peanut butter, railroad lubrication, refrigerated trucks, et. al. It has been difficult to defend a discovery against vertically-integrated competitors with large distribution channels and customer bases.

Jones decided to find a niche in an area that the competitors did not want to tackle. Colossal

began making refillable ink cartridges for the large-format printers, gaining a license from Hewlett Packard to sell the recyclable cartridges for its DesignJet printers in July 1996.

This summer a statement began to appear on Hewlett Packard's web pages that said it would no longer honor warranties on printers that used the Colossal cartridges. Hewlett Packard sells \$3 billion worth of printer ink in smaller two-ounce cartridges. Colossal's refillable reservoirs hold 16-ounces, and cost less than half for the equivalent number of Hewlett Packard cartridges.

First there was an apology letter from Douglas Watson, general manager of the Hewlett Packard specialty printing systems operation. However, Hewlett Packard has opted to stop supporting third-party systems after a case in July involving another ink manufacturer Nu-Kote. The announcement was posted on Hewlett Packard's

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National Black Chamber gains federal government exec

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During the 5th Annual Convention of the National Black Chamber of Commerce in July, a Memorandum of Understanding between the Chamber of Commerce and the Bureau of Land Management, one of the nation's largest federal land management agencies, was signed, signalling additional business opportunities for African-American businesses.

Chamber chairman Arthur A. Fletcher announced earlier this week the naming of Lee F. Allen, a senior program analyst with the Office of Special National Projects and Initiatives of the Office of the Director, BLM in Denver, as the Chamber's federal liaison officer.

The arrangement between BLM's Lawrence Bemby, special assistant to the Deputy Director on behalf of the Director, BLM, Pat Shea and

management of the NBCC took effect on Oct. 1.

Allen will work directly with the president and CEO, Harry C. Alford on the following initiatives designed to benefit the Chamber, BLM and other federal agencies:

- Establishing links with key senior business officials and top federal agency officials to encourage information exchange and widen opportunities for African-Americans.
- Implementing forums with key federal agencies such as the departments of Interior, Defense, Agriculture and Transportation.

- Chartering junior chamber chapters at all Historically Black Colleges and Universities allowing them to interface with government, private sector and major corporations regarding business and entrepreneurship.

- Serving as a consultant or resource on fire activities

within BLM; as related to the partnership with International Black Fire Fighters Association.

- Providing leadership in helping African-American businesses and federal agencies develop strategies for overcoming barriers within

contracting and procurement services.

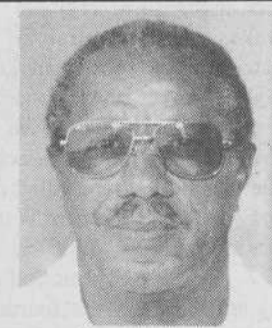
- Assisting affiliated chapters with linkage to the Electronic Data Interchange and increasing procurement with the federal and local governments as well as private corporations.

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